

VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting
Tuesday, February 18, 2020
Time: 2:00 P.M.
Place: Board Room
29300 Valley Center Road
Valley Center, CA 92082

The Valley Center Municipal Water District Board of Directors' meeting was called to order by President Polito at 2:00 P.M.

ROLL CALL

Board members present were: Directors Polito, Haskell, Ferro and Smith. Staff members present were: General Manager Arant, General Counsel de Sousa, District Engineer Grabbe, Director of Operations Hoyle, Director of Finance and Administration Pugh, Director of IT Pilve, Senior Engineer Lyuber, Safety & Regulatory Compliance Supervisor Olson, and Executive Assistant Johnson. Spectators present were David Drake – JPIA, Warren Diven – BBK, and Jacqueline Howells – HGR.

SPECIAL COMMENTS/PRESENTATION

David Drake, a member of the Executive Committee at the ACWA Joint Powers Insurance Authority, complimented the District on its low loss ratio of workers' compensation claims and presented a refund check in the amount of \$44,809.

CONSENT CALENDAR

1. Upon motion by Smith, seconded by Haskell and unanimously carried, the following consent calendar items were approved:

- Minutes of the Board meeting held January 21, 2020
- Audit demand check numbers 156468 through 156697 for January 10, 2020 through February 6, 2020 and wire disbursements for November 2019 and January 2020
- Treasurer's Report for month ending December 31, 2019
- Resolution No. 2020-06 Setting a Public Hearing Date for Water Availability Charges on June 1, 2020

PUBLIC HEARING

2. Park Circle East/West Development Community Facilities District Public Hearings Continued Until March 16, 2020:

A public hearing, continued from January 21, 2020 to consider establishing the proposed Community Facilities District 2020-1 and incurring a bonded indebtedness for such District, was opened by President Polito at 2:10 p.m.

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District Engineer Grabbe described the complexities associated with the formation of the Community Facilities District (CFD). He indicated that additional time was required to resolve financial securities for the facilities to be provided by the developer. While staff and the developer have conceptually resolved the District's financial security requirements, additional time is needed to memorialize the resolution in the CFD Funding Agreement.

Staff recommended the Board approve a motion finding that the complexity of the proposed CFD requires additional time and to continue the public hearings to March 16, 2020.

Upon motion by Smith, seconded by Haskell and unanimously carried per staff's recommendation, the public hearings were continued to the March 16, 2020 regular board meeting.

ACTION AGENDA

3. Status Update on the Design and Construction Standards:

Administrative Code Article 280, "Design and Construction Standards – Policies and Procedures," was adopted at the January 21, 2020 board meeting. A demonstration of how the Standards will look on the District's website for the general public to view or download was provided by Senior Engineer Lyuber.

Staff is striving to make the Standards user friendly, with collapsible sections making the site easy to navigate. There will be a link to the Standards on the District's homepage, as well as on the Engineering Dept. webpage. Staff is seeking comments on the preview before going live with the final version on the website.

Director Smith suggested including a space on the standard drawings indicating what the last change was. Due to space limitations, staff indicated that they are considering making a separate revision log for the website. In addition, staff will include a section of templates to assist designers in preparing their plans.

A link to the proposed Standards will be sent to each Board member so they can review it and provide any additional comments.

4. Phone Circuit Failure Report and Proposed Phone System Upgrades:

A phone circuit failure occurred on October 28, 2019 shutting down all incoming and outgoing phone call capability at the District, reported IT Director Pilve. These phone interruptions continued intermittently until November 4th even with AT&T technicians replacing an on-site interface card and working on the communications cabinet on the street. Since the outages were intermittent, AT&T had issues locating the problem, but eventually traced it to faulty networking equipment in the AT&T data center.

During the outages, the District's phones were transferred to its nighttime answering service. Cell phones were distributed to customer service personnel to receive calls being transferred from the answering service. The District also subscribed to the

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“Enhanced Alternate Route” service from AT&T which automatically forwards all calls to the answering service when the Primary Rate Interface (PRI) line is out of service.

The current phone system, a Cisco VoIP, was installed in 2010 and had been working without failures since that time noted Mr. Pilve. To avoid future failures and sustain constant service, the following options were considered: 1) upgrade to a similar on-premise system with added hardware redundancy; or 2) subscribe to a cloud-based service providing similar functionality.

Upgrading the current system would utilize the existing phones (\$30K savings) and has a low operating cost. However, it requires ongoing hardware maintenance and periodic hardware changes. A cloud-based system has no hardware to maintain, is always up to date, and has more collaboration options. However, it would require replacement of all phones, has a high long-term cost, and internal calls dependent on an internet circuit.

Staff concluded that the Cisco on-premise phone system upgrade is the most cost effective at \$58,491 over a 3-year period; almost half the cost of the cloud based system. It will increase the reliability of the system while maintaining its existing functionality. The FY 2019-20 budget includes \$45K for phone system upgrades allowing this project to move forward and be completed by the end of this fiscal year.

GENERAL MANAGER'S AGENDA

5. California 2020 Water Resilience Portfolio:

In April 2019, Governor Newsom issued Executive Order N-10-19 directing the Natural Resources Agency, California EPA and the Department of Agriculture to gather input from around the state on what features should be included in a portfolio that would increase California's water supply resilience. The draft Portfolio includes 133 actionable recommendations in four broad areas:

- Maintain and diversify water supplies;
- Protect and enhance natural ecosystems;
- Build connections including storage and conveyance; and
- Be prepared for new threats.

The draft Portfolio includes many positive items, including the state assigning itself a leadership role in facilitating the efforts at the regional and local levels, more investment in water storage and enhanced conveyance, and recognizing regional differences in water supply conditions. However, there were no priorities or timeframes given for how the recommendations would be implemented.

A letter of comment was submitted providing input on what should be included in the Final Portfolio, which included: Effective Stewardship, Policy Priority, Timeframes and Mechanisms, Budgetary Resources, and Progress Feedback. Staff will keep the Board informed of any significant changes in the development of the final Portfolio, including its future release date.

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6. San Diego County Water Authority's Board of Directors Meeting:

General Manager Arant reported on the following items from the SDCWA Board of Directors' meeting held on January 23, 2020:

- A \$250K contract with Woodard & Curran was approved to assist staff in preparing the 2020 Urban Water Management Plan update. The new water use efficiency regulations make the report more complicated and expensive to produce.
- Board approved a professional services contract with InfraTerra to prepare a seismic vulnerability assessment and repair time estimate for its aqueducts.

7. Miscellaneous:

The following miscellaneous items were discussed:

- Status Report for December 2019 was provided;
- Water sales projections are below what was budgeted;
- Update on aqueduct shutdown provided by Director of Operations. Another 10-day shutdown will take place on March 1st on the 2nd aqueduct

GENERAL COUNSEL AGENDA

8. General Counsel de Sousa reported that previously vetoed legislation (AB 1184), that would have required public agencies to retain all public records transmitted by electronic mail for 2-years, is now being reintroduced with the exact same language.

BOARD OF DIRECTORS' AGENDA AND REPORT ON MEETINGS ATTENDED

9. The ACWA Energy Subcommittee was attended by Director Smith and General Manager Arant on February 7, 2020. The Air Pollution Control Board was urged to provide an exemption for agencies that have to run generators for PSPS events.

Director Smith requested 3-month plans from the power company for upcoming projects to strengthen their systems against PSPS events.

The District's SDG&E representative will be asked to make a report to the Board in the next couple months.

ADJOURNMENT

10. Upon motion by Ferro, seconded by Smith and unanimously carried, the regular meeting of the Board of Directors was adjourned at 4:04 p.m.

ATTEST:

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President

Secretary

Approved at a regular meeting of the Board of Directors on March 2, 2020